



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104919; File No. SR-TXSE-2026-002]

### **Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Second Amended and Restated Limited Liability Company Agreement of Texas Stock Exchange LLC as the Third Amended and Restated Limited Liability Company Agreement of Texas Stock Exchange LLC**

March 3, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 25, 2026, Texas Stock Exchange LLC (the “Exchange” or “TXSE”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange filed a proposal to amend the Second Amended and Restated Limited Liability Company Agreement of Texas Stock Exchange (the “LLC Agreement”) related to amending the LLC Agreement to the Third Amended and Restated Limited Liability Company

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

Agreement of Texas Stock Exchange LLC (the “Third LLC Agreement”). The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is available on the Commission’s website (<https://www.sec.gov/rules/sro.shtml>) at the Exchange’s website (<https://txse.com/rule-filings>), and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend and restate the LLC Agreement to eliminate the requirement for a Member Representative Director to be prohibited from owning, directly or indirectly, an ownership interest in the Exchange. The Exchange is proposing to make this change in anticipation of the election of the full board prior to launch and in recognition of other precedent. The Exchange is also proposing to make certain non-substantive changes including corresponding changes related to this update to the LLC Agreement, to eliminate unnecessary language, and to clean up errors in numbering.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of

Section 6(b) of the Act.<sup>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with the objectives of Section 6(b)(1)<sup>6</sup> of the Act in particular, in that such amendments enable the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Act and to comply with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange also believes that the proposed amendments are consistent with Section 6(b)(5) of the Act,<sup>7</sup> which requires the rules of an exchange to be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Exchange specifically believes that the proposed change to delete the restriction on a Member Representative Director owning interests in the Exchange, directly or indirectly, will provide additional flexibility for the Exchange in its ability to elect qualified Member Representative Directors to the board of the Exchange and promote the Exchange's ability to attract qualified Member Representative Directors. Further, the restriction on ownership for Member Representative Directors is not required by certain other exchanges.<sup>8</sup> Moreover, the voting and ownership limitations contained in Section 14 of the Seventh Amended and Restated Stockholders' Agreement of TXSE Group Inc. provide further constraints on undue influence concerns with respect to member representation on the Exchange board. Finally, the current proposal will not impede the Exchange's obligations under Section 6(b)(3) of the Act regarding the fair representation of members. Among other things, the right of members to petition to submit their own candidate as Member Representative Directors is retained. If members of the

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<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(1).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> See, e.g., Ninth Amended and Restated Bylaws of CBOE BZX Exchange, Inc. ([https://cdn.cboe.com/resources/regulation/by\\_laws/Ninth-Amended-and-Restated-Bylaws-of-Cboe-BZX-Exchange-Inc.pdf](https://cdn.cboe.com/resources/regulation/by_laws/Ninth-Amended-and-Restated-Bylaws-of-Cboe-BZX-Exchange-Inc.pdf), at Section 3.2); Ninth Amended and Restated Bylaws of CBOE BYX Exchange, Inc. ([https://cdn.cboe.com/resources/regulation/by\\_laws/Ninth-Amended-and-Restated-Bylaws-of-Cboe-BYX-Exchange-Inc.pdf](https://cdn.cboe.com/resources/regulation/by_laws/Ninth-Amended-and-Restated-Bylaws-of-Cboe-BYX-Exchange-Inc.pdf), at Section 3.2).

Exchange are not satisfied with the Member Representative Director nominees proposed by the Exchange, the LLC Agreement provides a process for members to petition to submit their own candidates as Member Representative Directors.

The Exchange will also make corresponding and clarifying changes to the LLC Agreement to conform to the above, as well as some minor corrections to the numbering of Article I, Definitions. The Exchange believes that the clarifying and clean-up changes are consistent with the Act because they are not substantive and only act to make the LLC Agreement clearer and easier to understand.

For these reasons, the Exchange believes this amendment would enable the Exchange to be so organized as to have the capacity to carry out the purposes of the Act and to comply with the provisions of the Act, including the fair representation provisions of Section 6(b)(3) of the Act, the rules and regulations thereunder, and the rules of the Exchange, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market, and protect investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposal will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal is not intended to address competitive issues but rather is concerned with the administration of the Exchange.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition;

and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>9</sup> and Rule 19b-4(f)(6)<sup>10</sup> thereunder.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may amend its LLC Agreement and begin its Member Director Representative selection as soon as possible. The Exchange states that the proposed changes to the LLC Agreement do not materially alter the Exchange's existing governance framework or raise novel issues not previously considered by the Commission.<sup>11</sup> The Commission believes the proposed rule change presents no novel legal or regulatory issues, and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>12</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>10</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>11</sup> See, e.g., supra note 8.

<sup>12</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);  
or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-TXSE-2026-002 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-TXSE-2026-002. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-TXSE-2026-002 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

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<sup>13</sup> 17 CFR 200.30-3(a)(12), (59).

**Sherry R. Haywood,**

*Assistant Secretary.*

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